

ANNUAL REPORT & FINANCIAL STATEMENTS 2021



 *Happy World House*







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The directors are pleased to present the annual report together with the audited consolidated and separate financial statements of Happy World Property Ltd (the "Company") for the year ended 30 June 2021.

While focusing on material matters, the report informs stakeholders about the governance, performance and strategy of the Company. It also provides a forward-looking view on how it manages challenges and opportunities in order to achieve its ambitions in the fast-changing context.

REVIEW OF BUSINESS

The main activity of the Company is the rental of its Commercial Property providing office and retail spaces.

RESULTS

For the year under review, the Company recorded a turnover of Rs 43,184k (2020: Rs 51,217k).

The Company's profit for the year ended 30 June 2021 is Rs 23,413k (2020: Rs 45,471k).

TURNOVER in Rs'000	2021	2020	PROFIT in Rs'000	2021	2020
	43,184	51,217		23,413	45,471

DIVIDENDS

For the year ended 30 June 2021, the Company has declared a dividend of Rs 0.45 per share which will be paid on or about 29 October 2021.

BOARD OF DIRECTORS

The following directors held office during the year ended 30 June 2021:

DIRECTORS'



Mrs. Nathalie
DESCELLES-POCHÉ



Mr. Jason
HAREL



Mr. Khushhal Chand
KHUSHIRAM



Mr. Jean Pierre
MONTOCCHIO



Mr. Mushtaq
OOSMAN



Mr. Antoine
SEEYAVE



Mr. Nicolas
SEEYAVE



Mr. Jonathan
SEEYAVE



Mrs. Tharangany
SINGARAVELLOO

DIRECTORS' REMUNERATION AND BENEFITS

The following table highlights the remuneration and benefits received by the directors during the financial year.

REMUNERATION AND BENEFITS RECEIVED	Rs'000
Mrs. Nathalie DESCELLES-POCHÉ	55
Mr. Jason HAREL	65
Mr. Khushhal Chand KHUSHIRAM	100
Mr. Jean Pierre MONTOCCHIO	55
Mr. Mushtaq OOSMAN	100
Mr. Antoine SEEYAVE	65
Mr. Jonathan SEEYAVE	55
Mrs. Tharangany SINGARAVELLOO	35
Total Independent and Non-Executive	530
Mr. Nicolas SEEYAVE	2,665
Total Executive	2,665
Total (Independent, Non-Executive and Executive)	3,195

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors acknowledge their responsibilities for:

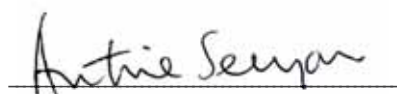
- (i) leading and controlling the organisation and meeting all legal and regulatory requirements;
- (ii) ensuring adequate accounting records and maintenance of effective internal control systems;
- (iii) the preparation of consolidated and separate financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the cash flows for that period, and which comply with International Financial Reporting Standards (IFRS), Financial Reporting Act and in compliance with the Mauritius Companies Act 2001;
- (iv) the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates;
- (v) the Company's adherence to the New Code of Corporate Governance (2016); and
- (vi) the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives, and for ensuring that the Company develops and executes a comprehensive and robust system of risk management.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

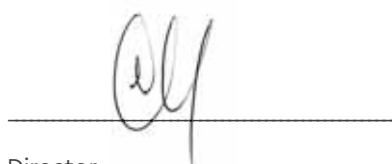
The Directors report that:

- (i) the Company is a public interest entity as defined by law;
- (ii) the Company is headed by an effective Board, and responsibilities and accountabilities within the Company (including at the level of Senior Management) are clearly identified;
- (iii) appropriate Board committees, namely the Audit and Risk Committee and the Corporate Governance Committee (which is also tasked with duties regarding remuneration of Senior Management), have been set up to assist the Board in the effective performance of its duties;
- (iv) adequate accounting records and an effective system of internal controls and risk management have been maintained;
- (v) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (vi) International Financial Reporting Standards, the Financial Reporting Act and the Mauritius Companies Act have been adhered to. Any departure has been disclosed, explained and quantified in the consolidated and separate financial statements;
- (vii) The Code of Corporate Governance has been adhered to in all material aspects and explanations have been provided for any non-compliance;
- (viii) they have assessed the Company as a going concern and have a reasonable expectation that the Company will continue to operate for the foreseeable future and meet its liabilities as they fall due; and
- (ix) they have approved the composition of the Audit and Risk Committee and the Corporate Governance Committee.

Approved by the Board of Directors on 16 September 2021 and signed on its behalf by:



Director
Mr. Antoine SEEYAVE



Director
Mr. Mushtaq OOSMAN

CORPORATE GOVERNANCE REPORT

PRINCIPLE 1: GOVERNANCE STRUCTURE

1.1 Company Information

Happy World Property Ltd (HWP), formerly known as Newton Development Limited, was incorporated on 14 February 1986 as a private Company limited by shares under the laws of the Republic of Mauritius. It was converted into a public Company limited by shares on 25 November 2020. The registered office address of the Company is Level 8, Happy World House, 37 Sir William Newton Street, Port Louis 11328, Mauritius. The main activity of the Company is the rental of its Commercial Property providing office and retail spaces. The Company is registered as a reporting issuer with the Financial Services Commission in line with the Securities Act 2005. HWP is listed on the DEM since 18 December 2020. HWP is a Public Interest Entity in accordance with the Financial Reporting Act 2004.

1.2 Company's Philosophy

The Company is committed to the conduct of business practices that display characteristics of good corporate governance, namely business integrity, transparency, independence, accountability, fairness and professionalism in all its activities and ensures that its organisation and operations are managed ethically and responsibly to enhance business value for its shareholders and other stakeholders. The Board Charter will be considered by the Board of directors during the next financial year.

1.3 Corporate Governance Statement

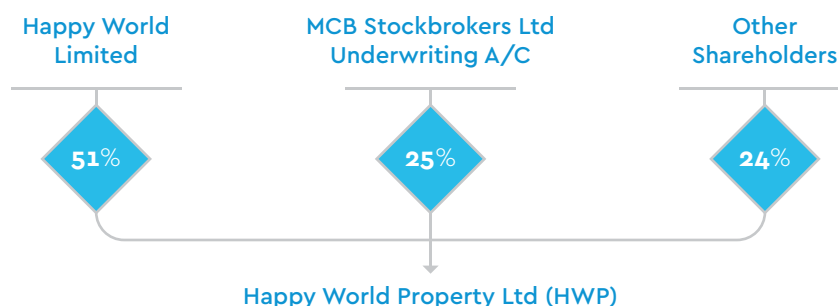
During this financial year ended 30 June 2021, the Board of HWP has applied the eight principles of the new Code of Corporate Governance (2016). However, since HWP has become a PIE in December 2020 the Board of HWP has not disclosed fully the recommended disclosures under each principle. The Board shall continue to monitor the requirements requested under each principle which it did not disclose during this current financial year, in the forthcoming financial year.

The Board of HWP considers that the current application of the principles of the code is likely to work in the particular context of HWP's business and culture, and which promote the following:

- Effective decision-making, risk management and control;
- Keeping the interests of the owners of the business aligned with, and foremost in the mind of, the people charged with managing the business; and
- The ability of the Company to hear the voice of stakeholders other than shareholders; principally these are regulatory and standard bodies, employees, customers, suppliers and the communities in which the Company operates.

1.4 Holding Structure

The holding structure of the Company is as follows:



1.5 Relations with shareholder/Key stakeholders

The following shareholders held more than 5% of the shareholding of the Company as at 30 June 2021:

SHAREHOLDERS	HOLDING %
Happy World Ltd	51
MCB Stockbrokers Ltd – Underwriting a/c	25
The MCB Ltd (A/c MCB Stockbrokers Limited)	13.4

There were no additions or disposals in the shareholding for the year under review.

1.6 Statement of Main Accountabilities

The Directors have approved the following Statement of Accountabilities:

- The Board assumes the responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements. Directors are aware of their legal duties.
- The Board is accountable for the performance and affairs of the Company and for achieving sustainable growth.
- The Board is responsible for ensuring that the Company adheres to high standards of ethical behaviour and acts in the best interest of shareholders.

1.7 Directors Interest in shares

At 30 June 2021, Messrs Antoine, Jonathan and Nicolas SEEYAVE have indirect interests in the shareholding of the Company through Happy World Ltd.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

2.1 Structure of the board

The Board structure of Happy World Property Ltd is a unitary Board. The directors of Happy World Property Ltd share responsibility for directing the Company and promoting its affairs collectively and not individually when acting on behalf of the Company.

2.2 Composition of the Board

The Board currently comprises of one (1) executive director, two (2) non-executive directors and six (6) independent directors. The directors come from diverse business backgrounds and possess the necessary knowledge, skills, objectivity, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Company, independent of management.

To determine its current size and composition, the Board has taken into account (a) the size of its operations and its sector of activity, (b) the various qualifications and experience of its members, (c) the recommendations of the Code. The Board is satisfied that it is currently of a size and level of diversity that is commensurate with the operations and scale of Happy World Property Ltd.

2.3 Role and Function of the Board

The Board is responsible for the stewardship of the Company, overseeing its conduct and affairs to create sustainable value for the benefit of its stakeholders. It acknowledges its responsibility for leading and controlling the Company, ensuring that strategic direction and management structure are in place to meet legal and regulatory requirements.

Its principal functions also include the following:

- protecting and enhancing shareholders' value by identifying and monitoring key risks areas and key performance indicators;
- approving such acquisition and disposal of assets as appropriate;
- exercising leadership, enterprise, intellectual honesty, integrity and judgement in directing the Company to achieve sustainable prosperity for the Company; and
- ensuring timely communication with shareholders and other stakeholders.

The Board will approve a Statement of Major Accountabilities within the Company which will then be displayed on the Company's website. The Board is also considering the publication of its Annual Report and other documents on the Company's website which will be reviewed and updated on a regular basis.

2.4 Residency

All directors of the Company are residents in Mauritius.

2.5 Role and Function of the Chairman

The Chairman has no executive or management responsibilities and acts as Chairperson of the Board and of Shareholders' meetings.

There is a job description in place for the appointment of Chairperson. The Chairperson's other commitments have been disclosed to the Board before his appointment and any change would be communicated to the latter.

2.6 Role and Function of the Managing Director

The Managing Director is responsible for guiding the implementation of the board strategy and policy with respect to the Company's business. The Managing Director reports to the board of directors.

2.7 Role of the Non-Executive and Independent Non-Executive Director

The non-executive directors make a significant contribution to the functioning of the board, thereby ensuring that no one individual or group dominates the decision-making process.

2.8 Role and Function of the Company Secretary

The Company Secretary manages the provision of timely, accurate and considered information to the board and ensures that the board maintains its awareness of the ever-changing corporate governance environment. The Company Secretary attends every Board Meeting and Board Committee Meeting.

2.9 Board Meetings

The Board meets on quarterly basis and at such ad hoc times as may be required. In the year under review, the Board has met four (4) times and has performed its duties and considered matters relevant to the development of the business, strategic orientation, key transactions of relevance to the Company, its position, the risk situation and management as well as reviewed the budget and long-term plans.

All directors receive timely information so that they are equipped to fulfil their duties at Board Meetings.

Senior management is also invited on a regular basis at the Board meeting of the Company. The Managing Director of the Company is regularly invited to attend all subcommittee meetings. The records of proceedings of each Board meetings are recorded by the Company Secretary of the Board. The minutes of each Board meeting are submitted for confirmation at its next meeting and signed by the Chairperson and the Secretary. All Board members have access to the Company Secretary for any further information they require.

2.10 Directors' Attendance at Meetings for period 1 July 2020 to 30 June 2021

The record of attendance at Board and Sub Committee meetings is shown in the summary table below:

	Board meetings	Audit and Risk Committee meetings	Corporate Governance Committee meetings
Number of meetings held	4	3	1
Director/committee member:			
Mrs. Nathalie DESCELLES-POCHÉ	4		
Mr. Jason HAREL	4		1
Mr. Khushhal Chand KHUSHIRAM	4	3	
Mr. Jean Pierre MONTOCCHIO	3		1
Mr. Mushtaq OOSMAN	4	3	
Mr. Antoine SEEYAVE	4		
Mr. Nicolas SEEYAVE	4		
Mr. Jonathan SEEYAVE	4		
Mrs. Tharangany SINGARAVELLOO	2		

2.11 Board Committees

The Board delegates certain roles and responsibilities to its principal Board committees. Whilst the Board retains overall responsibility, a sub-committee structure allows these committees to probe the subject matter more deeply and gain a greater understanding of the detail, and then report back to the Board on matters discussed, decision taken, and where appropriate make recommendations to the Board on matters requiring its approval.

The Board is satisfied that the committees are appropriately structured and competent to deal with both the Company's existing and emerging issues, and that they have effectively discharged their responsibilities during the year under review.

The committees, which are set out below, meet regularly under terms of reference set by the Board. The chairman of each committee has the responsibility to report to the Board regarding all decisions and matters arising at sub-committee meetings. The committees may from time to time seek independent professional advices which are then approved by the Board.

2.11.1 Corporate Governance Committee

Membership of the Corporate Governance Committee

NAMES	STATUS
Mr. Jean Pierre MONTOCCHIO (Chairman)	Independent Director
Mr. Jason HAREL	Independent Director

2.11.2 Main Duties of the Corporate Governance Committee

The main duties and responsibilities of the Corporate Governance Committee encompass that of the Remuneration Committee and Nomination and include namely:

- Determine, agree and develop the Company's general policy on executive and senior management remuneration.
- Determine specific remuneration packages for executives and directors of the Company, including but not limited to basic salary, benefits in kind, any annual bonuses, performance-based incentives, pensions and other benefits.
- Determine the level of the non-executive and independent non-executive director's fees.

- Aim to give the executive director every encouragement to enhance the Company's performance and to ensure that they are fairly rewarded for their contributions and performance.
- Be responsible to ascertain whether a new Director is fit and proper and not disqualified from being a director.
- Ensure that the Board has a right balance of skills, expertise and independence.
- Make recommendations on the composition of the Board.
- Ensure that the potential new director is fully cognizant of what is expected from a director.
- Ensure that the right candidates are chosen to assume executive and senior management responsibilities.
- Determine, agree and develop the Company's general policy on Corporate Governance in accordance with the New Code of Corporate Governance of Mauritius.
- Ensure that a succession planning does exist in respect of the Managing Director.
- Appoint independent advisors and professionals as it deems necessary to carry out its duties.
- Have unrestricted access to any employee and information relevant to the performance of its duties.

The Committee met one (1) time during the year and the meetings are minuted and recorded.

2.11.3 Audit and Risk Committee (ARC)

Membership of the Audit and Risk Committee

NAMES	STATUS
Mr. Mushtaq OOSMAN (Chairman)	Independent Director
Mr. Khushhal Chand KHUSHIRAM	Independent Director

Regular attendees by invitation: Executive Director and Senior Accountant

2.11.4 Main Duties of the Audit and Risk Committee

The primary objective of the Audit and Risk Committee is to provide the Board with additional assurance regarding accounting, auditing, internal control and financial matters together with their associated risks and includes:

- review and recommend to the Board for approval, the audited consolidated and separate financial statements at 30 June and the quarterly consolidated and separate unaudited management accounts;
- review the internal audit plan and the Company's internal financial control and risk management system;
- evaluate the work of the external auditors;
- ensure that significant adjustments, unadjusted differences, disagreements with Management, management letters, accounting principles along with the external audit process are discussed with the external auditors;
- review and discuss with Management the recommendations made by internal and external auditors and their implementation;
- review the contents of the annual report before its release;
- review the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation and follow-up of any fraudulent acts and/or non-compliance; and
- oversee the Company's compliance with legal and regulatory provisions, its Constitution, code of conduct, by-laws and any rules established by the Board.

The meetings of each Audit and Risk committee are minuted and recorded.

The external auditors have unrestricted access to the records, to management and employees of the Company. Meetings may also be scheduled with the external auditor without the presence of Management.

2.11.4 Main Duties of the Audit and Risk Committee (cont'd)

The members of the Committee have examined and tabled their views on financial reports prior to the approval of the audited consolidated and separate financial statements, as well as reports from the Internal and External Auditors.

For the year under review, there were no significant issues in relation to the financial statements.

The Audit Committee met three (3) times during the year.

PRINCIPLE 3 DIRECTOR APPOINTMENT PROCEDURES

3.1 Nomination Process

The Board recognises the importance of having a formal and transparent process for the nomination and appointment of directors.

The nomination and appointment process of directors which is owned by the Corporate and Governance Committee for the Company is as follows:

- 1 Identification of candidates;
- 2 Interviews conducted by members of the Corporate Governance Committee;
- 3 Board approval of candidate;
- 4 Regulatory approval (if any);
- 5 Election at Annual/Special Meeting;
- 6 Letter of appointment;
- 7 Regulatory filing

3.2 Appointment and Re-Election of Directors

In accordance with the Constitution of the Company, the Directors of the Company shall be such person or persons as may from time to time be appointed by the shareholders' ordinary resolution.

3.3 Board Induction and Professional Development

All new Directors receive a full, formal and tailored induction on joining the Board, including meetings with senior management and visits to the Company's operational locations. The Board recognises the importance of on-going professional development and training to sustain an effective, well informed and functional Board which is continuously reviewed.

3.4 Succession Planning

The Corporate Governance Committee shall consider a set of criteria for the selection of prospective directors and key employees in view of the needs and strategic orientations of the Company, alongside considering gender diversity in its assessment. These, amongst others, relate to their knowledge base, competencies, experience, time commitment, ethics and values which provide the basis for assessing prospective successors for the Board and key employees.

3.5 Directors' Profile



Mr. Antoine SEEYAVE

Chairman and Non-Executive Director

Mr. Antoine Seeyave has a long-standing and continuing association with Happy World Ltd as a core shareholder. He is co-Founder of Innodis Ltd and held leadership positions from its inception in 1973 to 1998. He is a co-Founder of Floreal Knitwear Ltd, and a former Member of the National Committee on Corporate Governance.

Directorships in related companies: Happy World Ltd, Apex Holdings Ltd, Happy World Enterprises Ltd, Johnston Enterprises Ltd and Kingston Enterprises Ltd. Mr. Antoine Seeyave is a director of several companies and sociétés related to or forming part of the Happy World Group in addition to the above.

Directorships in other listed companies: None.

Mr. Antoine Seeyave was appointed on 27 September 2004.



Mr. Nicolas SEEYAVE

Executive Director

Mr. Nicolas Seeyave is the General Manager of Happy World Ltd. He previously worked as accountant at Cohen Arnold LLP, London UK (February 2016-August 2019).

Directorships in related companies: Apex Holdings Ltd, Happy World Enterprises Ltd, Johnston Enterprises Ltd, Kingston Enterprises Ltd.

Directorship in other listed companies: None.

Mr. Nicolas Seeyave was appointed on 26 October 2020.



Mrs. Nathalie DESCHELLES-POCHÉ

Independent Director

Mrs. Nathalie Descelles-Poché is a qualified Company Secretary and acts as the Company Secretary on several Boards.

Directorship in other listed companies: None.

Mrs. Nathalie DESCHELLES-POCHÉ was appointed on 24 November 2020.



Mr. Jason HAREL
Independent Director

Mr. Jason Harel is a co-founding Partner of BLC Robert, a leading law firm in Mauritius which is ranked as tier one firm by legal directories such as Legal 500, Chambers and Partners and IFLR1000. He is a qualified Chartered Accountant and as a Barrister both in England and Wales and the Republic of Mauritius. He possesses substantial experience in real estate, banking, corporate finance, corporate transactions, mergers & acquisitions and taxation law. Jason is consistently identified as a 'leading practitioner' in his field by the legal directories whilst he acts for public and private companies.

Directorship in other listed companies: None.

Mr. Jason Harel was appointed on 26 October 2020.



Mr. Khushhal Chand KHUSHIRAM
Independent Director

Following a post-graduate degree in economics, Mr. Khushhal Chand Khushiram started his career in 1976 at the Research Department of the Bank of Mauritius; in 1989, he set up a stockbroking and investment business. Elected Chairman of the Stock Exchange of Mauritius in 1993 and 1994, he expanded trading and issuance activities, and enhanced stock market infrastructure. In 2000, he was elected a Member of Parliament in Mauritius, and was appointed Minister of Economic Development, Financial Services and Corporate Affairs, and also later Minister of Industry, until July 2005. In this capacity, he led a wide-ranging program of economic and financial reforms. Between October 2005 and June 2008, he acted as Senior Advisor to the President of the African Development Bank, dealing mainly with strategic, finance and private sector issues. From 2008 until his retirement from the Bank in 2011, he was the AFDB Resident Representative in Egypt. He then completed a six-month consultancy as Counselor to the President of the African Export Import Bank, to set up a Private Sector African Trade Policy Committee. He resettled in Mauritius in 2012. Mr. Khushiram also acts as Chairman of The Kibo II Fund LLC.

Directorships in other listed companies: IPRO Funds Ltd (IPRO African Market Leaders Fund – Class (I2) Institutional Class).

Mr. Khushhal Chand Khushiram was appointed on 26 October 2020.



Mr. Jean Pierre MONTOCCHIO
Independent Director

Mr. Jean-Pierre Montocchio was appointed Notary Public in Mauritius in 1990. He participated in the National Committee on Corporate Governance as a member of the Board of Directors' Sub-Committee.

Directorships in other listed companies: Les Moulins de la Concorde Ltee, New Mauritius Hotels Limited, Rogers and Company Limited, Semaris Ltd, ENL Limited and Fincorp Investment Ltd.

Mr. Jean-Pierre Montocchio was appointed on 26 October 2020.



Mr. Mushtaq OOSMAN

Independent Director

Mr. Mushtaq Oosman has over 30 years professional experience in audit and financial advice, with a diversified portfolio of clients in sectors such as banking, insurance, manufacturing, sugar companies, the hospitality industry, betting operator, textiles and trading. Mr. Mushtaq Oosman trained and qualified as a Chartered Accountant with Sinclairs in the UK. He joined Roger de Chazal & Partners (founders of Price Waterhouse in 1988 in Mauritius), serving as a partner from 1991 until his retirement in 2015. He was primarily an Assurance Partner, also responsible for Business Recovery Services as well as the Chief Operating Partner for Mauritius. In January 2016, Mushtaq Oosman formed his own Insolvency Practice. He has served on the Africa Central Governance Board and is well versed with the working and responsibilities of a Governance Board.

Directorships in other listed companies: Automatic Systems Ltd, Mauritius Union Assurance Co. Ltd, United Docks Ltd, ENL Limited, PIM LTD, Les Moulins de la Concorde, Forges Tardieu Ltd

Mr. Mushtaq Oosman was appointed on 26 October 2020.



Mr. Jonathan SEEYAVE

Non-Executive Director

Mr. Jonathan Seeyave is the General Manager of Happy World Enterprises Ltd. He formerly held positions as General Manager of Newton Development Limited (2007–2019) and Business Development Manager, Sopral Ltd (2005–2007).

Directorships in related companies: Apex Holdings Ltd, Happy World Enterprises Ltd, Johnston Enterprises Ltd and Kingston Enterprises Ltd. Mr. Jonathan Seeyave is a Director of several companies and sociétés related to or forming part of the Happy World Group in addition to the above.

Directorships in other listed companies: None

Mr. Jonathan Seeyave was appointed on 01st January 2015.



Mrs. Tharangany SINGARAVELLOO

Independent Director

Mrs. Tharangany SINGARAVELLOO is a qualified Actuary with over 23 years of experience across the sub-Saharan Africa region, the UK and the Netherlands. She holds a BSc Economics and Statistics (South Africa), a BSc (Hons) Operation Research (South Africa), a LLM International Business Law (France) and is a Fellow of the Institute of Faculty of Actuaries (UK). Her experience spans an array of disciplines in the insurance fields with particular interest in developing markets. She has worked for various regional and international companies including Old Mutual (Cape Town), Hymans Robertson Actuaries and Consultant (Glasgow), PwC (London and Amsterdam). She currently heads Aon's Global Benefits Africa unit. She is also a director of the MCB Group and chairs the board of Anglo African Investments Ltd.

Directorship in other listed companies: MCB Group

Mrs. Tharangany SINGARAVELLOO was appointed on 25 February 2021.

3.6 Company Secretary

The Company Secretary is Executive Services Limited, and its registered office address is found at 2nd Floor, Les Jamalacs Building, Vieux Conseil Street, Port Louis.

Executive Services Limited is a leading company with over 35 years of experience in the field of corporate secretarial services in Mauritius. Its core businesses are incorporation of companies, business registration, full corporate secretarial and administrative services including accounting and tax services.

The Directors of Executive Services Limited are Mr Christian Angseesing, Mr Didier Angseesing, and Ms Emmanuelle Angseesing.

PRINCIPLE 4: DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE

4.1 Directors' Duties and Responsibilities

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Company and works with the management to take objective decisions in the interest of the Company. The Company Secretary keeps Directors inform of their duties as per the Companies Act 2001. They are also made aware of their responsibilities and legal duties.

4.2 Conflict of Interests and Related Party Transaction Policy

Each Director ensures that no decision or action is taken that places his interests in front of the interests of the business. At each Board meeting a Director will be requested to disclose any actual or potential conflicts of interests.

There is currently no specified policy for Related Party Transaction. The Company is currently working on same and would report in the next financial year.

4.3 Interests Register

The interest register is available to shareholders upon request to the Company Secretary.

4.4 Remuneration Philosophy

The Corporate Governance Committee has the responsibility for reviewing the remuneration of directors and key executives. The level of remuneration is based on market trend and is reviewed on a regular basis.

The Board is transparent, fair and consistent in determining the remuneration policy for directors and key executives. The remuneration of directors and key executives is generally aligned with the salary packages in the industry. The Company believes that adequate remuneration is essential to attracting and retaining talent and to motivating our key executives to perform at their best.

4.5 Directors' Remuneration

Remuneration received by the directors from the Company for the year was Rs 585,000/-.

The Non-Executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

4.6 Board Evaluation

The Board shall consider setting up a well-established process for conducting the evaluation of the Board, the directors, and the committee performance during the next financial year.

4.7 Information Technology

The Company has a defined policy with regards to information, information technology and information security.

The Board oversees information governance through its Audit and Risk Committee, which itself supervises the Internal Audit function, which has no restrictions to its right of access to information. The Board ensures that all guidelines as per Data Protection Act, which governs right of access to information, are strictly adhered to.

All significant expenditures on information technology are approved by the Board, following recommendations and explanations provided by Management in that respect.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

5.1 Risk Management Function

The Directors recognise that the Board has the overall responsibility for the Company's risk management and internal control. The management of the Company assists the Board in implementing, operating and monitoring the internal control systems which manage the risk of failure to achieve business objectives and provide reasonable but not absolute assurance against material misstatements or loss.

The systems of internal controls put in place by management include the:

- maintenance of proper accounting records;
- implementation of the policies and strategies approved by the Board;
- regular assessment of specific risks management such as – market risks, credit risks, liquidity risks, operation risks, commercial risks, technological risks, compliance risks and human resource risks;
- overseeing and reviewing on an ongoing basis of the risks associated with social, safety, health and environmental issues.

Management has a well-designed structure for the identification and management of risks through stringent controls. Reviews of risks is effected by management on a quarterly basis and this provides the directors a certain level of assurance that management processes are in place and effective.

The Board is ultimately responsible for establishing, maintaining and overseeing appropriate and effective risk management and internal control systems for the Company. It has given the Audit and Risk Committee the responsibility of overseeing these systems on an ongoing basis and assessing their adequacy and effectiveness.

5.2 Internal Control

The Board is responsible for the system of internal control and has set appropriate policies to provide reasonable assurance that the control objectives are attained. Management is responsible for the design, implementation and monitoring of the internal control system. In view of the size and non-complexity of the transactions, the Board believes that an Internal control exercise once a year will be sufficient to mitigate any risk factor. The Board will undertake an independent appointment to carry out such exercise in the next financial year.

5.3 Risk factors

The company has only recently been listed. The Audit Committee has been presented by Management with a list of risk factors and mitigating action to reduce such risks. This document is being reviewed by the Audit Committee. It will be presented for discussion at the Board meeting towards the end of 2021.

PRINCIPLE 6: REPORTING WITH INTEGRITY

6.1 Social, Safety, Health and Environmental policies

The Company has developed and implemented social, safety, health and environmental policies and practices that comply with existing legislative and regulatory frameworks.

6.2 Code of Ethics

The Company aims to adopt a code of ethics during the next financial year.

6.3 Corporate Social Responsibility (CSR)

The Company's CSR activities will aim to focus on the following specific areas in the course of the next financial year:

- Support NGOs in their activities for the needy of the community.
- Support sustainable programs towards food self-sufficiency.

6.4 Training

The Company ensures that employees are trained and become sufficiently experienced to the extent necessary to competently and effectively undertake their assigned activities and responsibilities.

The Company aims to create a learning environment where employees will be prepared to accept change, develop new skills and take responsibility for their own continuous development.

6.5 Environment

The Company is committed to reducing its impact on the environment. It strives to improve its environmental performance over time and to initiate additional projects and activities that will further its impact on the environment.

PRINCIPLE 7: AUDIT

7.1 Accounting and Audit

The Audit and Risk Committee evaluates the independence and effectiveness of the external auditors on an on-going basis before making a recommendation to the Board on their appointment and retention. The external auditors for this current financial year are Cays Associates. The total duration of the audit assignment is for a period of one year with the possibility of reappointment of the selected firm annually, subject to the approval of the Annual Meeting of Shareholders of HWP. The fees payable to auditors for this current financial year is Rs 85,000/-.

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

8.1 Management Agreement

There is no management agreement with any third parties.

8.2 Share Option Plan

The Company has no share option plan.

8.3 Dividend Policy

The payment of dividend is subject to the profitability of Happy World Property Ltd and satisfying the solvency test.

8.4 Share Price Information

In a similar manner to other listed companies on the stock market, the share price of the Company will be subject to the volatility associated with stock market movements.

8.5 Donations

The Company did not make any political donations during the year under review (2020: Nil).

8.6 Stakeholders' Relations and Communication

The Board aims at properly understanding the information needs of all shareholders and places great importance on an open and meaningful dialogue with all those involved with the Company. It ensures that shareholders are kept informed on matters affecting the Company. Open lines of communication are maintained to ensure transparency and optimal disclosure. The Board is committed to fair financial disclosure for its shareholders and all the stakeholders at large.

All board members are requested to attend the Annual Meeting of Shareholders.

All shareholders of the Company are entitled to attend and vote at general meetings in person or by proxy. Shareholders also receive the annual reports of the Company and the notice of annual general meetings.

8.7 Conduct of shareholder meeting

During the annual meeting, which is held in Mauritius, shareholders are given the opportunity to communicate their views and to engage with the Board and Management with regard to the Company's business activities and financial performance.

Directors are encouraged to attend the shareholder's meetings. The members of the Audit and Risk Committee and external auditors are asked to be present at such meetings.

At the shareholder's meeting, each item is proposed in a separate resolution:

- The approval of the audited financial statements.
- The annual report.
- The ratification of dividend (if applicable).
- The election or re-election of directors of the board.
- The appointment or re-appointment of auditors under Section 200 of the Companies Act 2001.
- The ratification of the remuneration paid to the auditors.

Any other matter which may require the Shareholder's approval.

8.8 Timetable of major events

Key events are set out below:

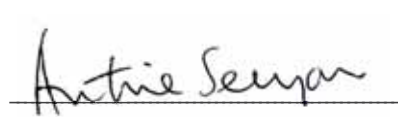
- JUN 2021 Declaration of dividends
- SEP 2021 Approval of the audited financial statements
- NOV 2021 Approval of quarterly accounts: Quarter ended 30th September & Annual Meeting
- FEB 2022 Approval of quarterly accounts: Quarter ended 31st December
- MAY 2022 Approval of quarterly accounts: Quarter ended 31st March

8.9 Related party transactions

Related party transactions are set out in Note 20.

Acknowledgement

The Board would like to thank all employees for their continued dedication and loyalty.



Director
Mr. Antoine SEEYAVE

Date: 16 September 2021



Director
Mr. Mushtaq OOSMAN

Date: 16 September 2021

STATEMENT OF COMPLIANCE

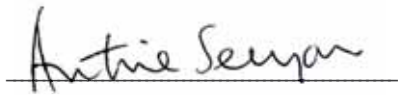
(Section 75 (3) of the Financial Reporting Act)

Name of Public Interest Entity ('P.I.E'): HAPPY WORLD PROPERTY LTD

Reporting period: Year ended 30 June 2021

We, the Directors of Happy World Property Ltd, confirm, to the best of our knowledge that the Company has complied with the Corporate Governance Code for Mauritius (2016). The Company has applied all the principles set out in the Code and has explained how these principles have been applied.

Signed by:



Chairman
Mr. Antoine SEEYAVE

Date: 16 September 2021



Director
Mr. Mushtaq OOSMAN

Date: 16 September 2021

SECRETARY'S CERTIFICATE

In our capacity as Company Secretary of Happy World Property Ltd (previously known as Newton Development Limited), we hereby confirm that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the year ended 30 June 2021, all such returns, as are required, in terms of the Companies Act 2001.



Executive Services Ltd
Company Secretary

Per: *Didier Angreewing*

2nd floor, Les Jamalacs Building
Vieux Conseil Street, Port Louis
Republic of Mauritius

Date: 16 September 2021

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Happy World Property Ltd (the Company), which comprise the Statement of Financial Position as at 30 June 2021 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 2001.

Basis of our opinion

- We conducted our audit in accordance with International Standards on Auditing (ISAs). Refer to paragraph entitled 'Auditors' responsibilities for the audit of the financial statements' below.
- We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements (in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)).
- We have fulfilled our other ethical responsibilities in accordance with these requirements.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

The investment property of the Company recognized at Rs435,500k (being its fair value determined on the basis of the valuation report carried out by Mr. P Ramrekha MSC, FRICS CSK Chartered Valuation Surveyor) is the most significant asset of the company representing 95% of the total assets of the Company. Gain or loss in fair value is recognized in profit or loss.

We have reviewed and assessed the Chartered Valuation Surveyor's report and the gross revenue generated from that property during the year and concur with the conclusions made in that report.

Responsibilities of the directors of the Company

The directors of the Company are responsible:

- for the preparation and fair presentation of the financial statements in accordance with IFRSs and the Companies Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, having no realistic alternative but to do so.

Responsibilities of the auditors for the audit of the financial statements

Our objectives are:

- to obtain reasonable assurance whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error; and
- to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Refer to our website at: www.caysassociates.com. for further details of our responsibilities forming part of this report.

Report on other legal and regulatory requirements

Companies Act 2001

- We have no relationship with, or interest in, the Company, other than in our capacity as auditors and tax advisors and dealings in the ordinary course of business.
- We have obtained all the information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

The directors are responsible for preparing the corporate governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.



Cays Associates
Public Accountants



LHY Tang Ying Yuen FCCA
Licensed by FRC

16 September 2021
Date



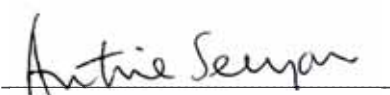
Happy World House

ANNUAL FINANCIAL STATEMENTS

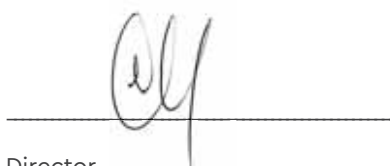
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

in Rs'ooo	Notes/Pages	2021	2020
NON-CURRENT ASSETS			
Plant and equipment	N7	2,770	3,986
Investment properties	N9	435,500	435,500
Deferred tax assets	N13	2,982	-
		441,253	439,487
CURRENT ASSETS			
Trade and other receivables	N10	3,077	2,903
Cash at bank and in hand	P28	14,900	7,533
		17,977	10,437
Total assets		459,230	449,923
EQUITY AND LIABILITIES			
Share capital		400,000	400,000
Retained earnings		8,629	3,216
Equity attributable to owners of the Company	P27	408,629	403,216
NON-CURRENT LIABILITIES			
Loans payable	N14	15,089	28,414
CURRENT LIABILITIES			
Loans payable	N14	7,585	7,510
Trade and other payables	N11	1,973	2,480
Dividends payable	P27	18,000	-
Contract liabilities	N12	7,954	8,303
		35,512	18,293
Total liabilities		50,601	46,707
Total equity and liabilities		459,230	449,923

These financial statements were approved and authorised for issue by the Board of Directors on 16 September 2021.



Director
Mr. Antoine SEEYAVE



Director
Mr. Mushtaq OOSMAN

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

in Rs'000	Notes/Pages	2021	2020
Revenue	N16	43,184	51,217
Gain in fair value of investment properties	N9	-	40,900
Gain on foreign exchange	N17	701	241
Administrative and selling expenses	N18	(21,685)	(31,678)
Finance costs	N19	(1,770)	(15,209)
Profit before tax		20,431	45,471
Tax credit	N13	2,982	-
Profit for the year	P27	23,413	45,471
Other comprehensive income		-	-
Comprehensive income for the year		23,413	45,471

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

in Rs'000	Notes/Pages	Equity attributable to owners of the Company		
		Share Capital*	Retained Earnings	TOTAL
2020				
At 01 July 2019		192,000	(42,255)	149,745
Issue of shares during the year		208,000	-	208,000
Profit for the year	P26	-	45,471	45,471
Other comprehensive income for the year	P26	-	-	-
Comprehensive income for the year	P26	-	45,471	45,471
At 30 June 2020		400,000	3,216	403,216
2021				
At 01 July 2020		400,000	3,216	403,216
Profit for the year	P26	-	23,413	23,413
Other comprehensive income for the year	P26	-	-	-
Comprehensive income for the year	P26	-	23,413	23,413
Dividends **		-	(18,000)	(18,000)
At 30 June 2021		400,000	8,629	408,629

	2021	2020	2021	2020
	No. of Shares	No. of Shares	in Rs'000	in Rs'000
* Share capital				
<i>Authorised, Issued and fully paid</i>				
Ordinary shares of Rs 10 each				
At 01 July	40,000,000	19,200,000	400,000	192,000
Issue of shares during the year	-	20,800,000	-	208,000
At 30 June	40,000,000	40,000,000	400,000	400,000
** Dividends				
<i>a Declared and payable</i>			18,000	-
<i>b Per ordinary share - (Rs)</i>			0.45	-

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

in Rs'000	Notes/Pages	2021	2020
OPERATING ACTIVITIES			
Profit before tax	P26	20,431	45,471
Adjustment for:			
Gain in fair value of investment properties	N9	-	(40,900)
Depreciation of plant and equipment	N18	1,417	1,337
Interest expenses	N19	1,770	15,209
Change in working capital:			
Trade and other receivables		(174)	(491)
Trade and other payables		(506)	(1,925)
Contract liabilities		(349)	(176)
		22,588	18,525
Interest paid	N19	(1,770)	(15,209)
Net cash from operating activities		20,818	3,316
INVESTING ACTIVITIES			
Acquisition of plant and equipment	N7	(207)	(1,403)
Proceeds from disposal of plant and equipment		6	-
Net cash (used in) investing activities		(201)	(1,403)
FINANCING ACTIVITIES			
Loans received		-	44,763
Loans repaid		(13,250)	(44,123)
Net cash (used in)/from financing activities		(13,250)	640
Increase in cash and cash equivalents		7,367	2,553
Cash and cash equivalents at 01 July		7,533	4,980
Cash and cash equivalents at 30 June		14,900	7,533
Cash and cash equivalents are:			
Cash at bank and in hand	P25	14,900	7,533
Non cash transactions excluded from the above statement of cash flows			
Issue of shares by the conversion of loans payable to parent company		-	208,000



NOTES

NOTES

1 General information

Happy World Property Ltd (previously known as Newton Development Limited) is a public company incorporated and domiciled in Mauritius. Its registered address is Level 8, Happy World House, 37 Sir William Newton Street, Port Louis, Republic of Mauritius. The Company changed its name into Happy World Property Ltd on 04 November 2020.

The main business activities are:

- Ownership and management of an office-cum-shopping complex.
- Operation of car parks/paid parking.

2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act 2001 and under the historical cost convention as modified by the revaluation of investment properties at fair value.

3 Functional and presentation currency

The financial statements are presented in Mauritian rupees (the Company's functional currency), rounded to nearest thousand (Rs'000) unless otherwise stated. Comparative figures have been amended, where necessary, to conform to change in presentation in the current year.

4 Critical accounting estimates and judgements

In preparing these financial statements, management makes estimates and assumptions based on historical experience and expectations of future events that are considered to be reasonable under the appropriate circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Critical estimates and assumptions made during the year that might have a significant risk of causing material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

Fair value of investment properties

The Company measures its investment properties at fair value; gain/loss in fair value being recognized in profit or loss. The Company engaged an independent valuation specialist to determine the fair value based on prevailing market condition.

5 Application of new IFRS and interpretations

The Company is evaluating the applicability and relevance of certain new/revised standards and interpretations to existing standards (which are not yet effective) on the Company's operations and its impact on the financial statements of the Company in terms of results, presentation or disclosure.

In alignment with the refined definition of Materiality in IASB Conceptual framework, IAS 1 and 8, certain information that is generally required by a standard, being assessed as immaterial, has been or may have been omitted in these financial statements.

6 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

The accounting policies set out below are, as far as possible, presented in the same chronological order, as the items/headings in the statement of financial position and statement of profit or loss. Accounting policies in respect of financial instruments are described under the relevant financial assets and liabilities.

6.1 Plant and equipment

All plant and equipment are initially recognised at cost and, except for land are subsequently measured at cost less accumulated depreciation and any impairment losses.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation is calculated to write off the cost of items of plant and equipment less their estimated residual value using the straight-line method over their estimated useful lives and is recognised in profit or loss, unless it is required to be capitalised to another asset.

The estimated useful lives for the current and comparative periods are as follows:

- Furniture and equipment 4 – 5 years
- Motor vehicles 7 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Plant and equipment are derecognised when these are disposed of or permanently withdrawn from use. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of that item and is recognised in profit or loss at the date of disposal or retirement.

6.2 Intangible assets

Intangible assets which consist of purchased computer software are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and any impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation of intangible assets is calculated, using the straight line method, so as to allocate their cost less their residual values over their estimated useful lives of 8 years and is recognised in profit or loss.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

6.3 Investment properties

Investment properties which comprise of properties held for rental are initially recognised at cost and are subsequently measured at fair value determined by a professional valuer on the basis of open market value. Gain or loss in fair value is recognised in profit or loss in the period in which it arises.

The gain/(loss) arising on the disposal or retirement of an investment property is determined as the difference between the sales proceeds and the carrying amount of that property and is recognised in profit or loss at the date of disposal.

6.4 Trade and other receivables

Trade & other receivables are initially recognised at fair value when the Company becomes a party to the contract with the customer for sales of goods or services and are subsequently measured at amortised cost net of any allowance for credit losses, estimated by management based on prior experience and the economic environment. Allowance for credit losses for the period is recognised in profit or loss.

Trade & other receivables are classified as current assets as they are short term in nature.

Trade & other receivables are derecognised when the receivables have been collected and/or the contractual rights to receive the cash flows have expired.

6.5 Impairment of assets

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

6.6 Loans payable

Interest bearing bank loans are initially recognised at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the year. These are then classified as non-current liabilities.

6.7 Trade payables

Trade & other payables are initially recognised at fair value which is normally the invoiced price by the suppliers when the Company becomes a party to the contract with the suppliers for purchase of goods or services and are subsequently measured at amortised cost.

Trade & other payables are classified as current liabilities as they are short term in nature.

Trade & other payables are derecognised when and only when the obligations are discharged, cancelled or they expire.

6.8 Income tax

Tax expense

Tax expense comprises current and deferred tax and is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. The tax expense is calculated using tax rates enacted or substantively enacted at the reporting date.

Tax payable/prepaid

Tax payable or prepaid for the current and prior periods is measured at the amount expected to be paid or recoverable to/from the tax authorities. Tax payable are derecognised when and only the obligations are discharged.

Deferred tax liabilities or assets

Deferred tax liabilities or assets for tax payable or recoverable in future periods are recognised on all temporary differences arising between the tax bases of the liabilities and assets and their carrying values for financial reporting purposes.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available, against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

6.9 Share capital

Ordinary shares are classified as equity.

6.10 Foreign currency translation

Transactions in foreign currencies are initially recognised in Mauritian rupees at the rates of exchange prevailing at the date of the transactions. Difference in exchange resulting from the settlement of such transactions is recognized as gain/(loss) on foreign exchange in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are subsequently retranslated into Mauritian rupees at the rates of exchange ruling at the end of the reporting period. Difference in exchange thereon is recognized as gain/(loss) on foreign exchange in profit or loss.

6.11 Revenue recognition

Provision of services at a point in time

Revenue for the provision of services at a point in time is recognised in profit or loss based on the consideration to which the Company is entitled to receive net of value added tax in the accounting period in which the services are provided.

Income from the lease of property is recognised in profit or loss on a straight-line basis over the term of the operating lease.

6.12 Finance costs

Finance costs on borrowings directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are recognised as part of the cost of the assets until such time that the assets are substantially ready for their intended use or sale. Otherwise, finance costs are recognised in profit or loss in the period in which these are incurred.

Interest income is recognised using the effective interest method and is deducted from interest expenses shown as finance costs (net).

6.13 Dividends payable

Dividends declared to the Company's shareholders during the period (paid and payable at end of period) are recognised as distribution to shareholders in the statement of changes in equity.

Dividends declared and payable at end of period are recognised as current liability.

NOTES FOR YEAR ENDED 30 JUNE 2021

in Rs'000	Furniture and Equipment	Motor Vehicles	TOTAL
7 Plant and equipment			
2021			
a Cost			
At 01 July 2020	11,246	43	11,289
Acquisitions	207	-	207
Disposals	(8)	-	(8)
Write-offs	(1,461)	-	(1,461)
At 30 June 2021	9,984	43	10,027
b Accumulated depreciation and impairment			
At 01 July 2020	7,292	10	7,302
Depreciation charge	1,410	6	1,417
Disposals adjustment	(2)	-	(2)
Write-offs	(1,461)	-	(1,461)
At 30 June 2021	7,240	17	7,257
c Carrying amount			
At 30 June 2021	2,744	26	2,770
2022			
a Cost			
At 01 July 2019	9,843	43	9,886
Acquisitions	1,403	-	1,403
At 30 June 2020	11,246	43	11,289
b Accumulated depreciation and impairment			
At 01 July 2019	5,962	4	5,966
Depreciation charge	1,330	7	1,337
At 30 June 2020	7,292	10	7,302
c Carrying amount			
At 30 June 2020	3,954	33	3,986

NOTES FOR YEAR ENDED 30 JUNE 2021

in Rs'000	2021	2020
8 Intangible assets		
Computer Software		
a Cost		
At 01 July 2020 and 30 June 2021	1,567	1,567
b Accumulated depreciation and impairment		
At 01 July 2020 and 30 June 2021	1,567	1,567
c Carrying amount		
At 30 June	-	-
9 Investment properties		
a At 01 July	435,500	394,600
Gain in fair value	-	40,900
At 30 June	435,500	435,500
b Assessment of fair value		
The fair value of the investment properties have been determined by Mr P. Ramrekha MSC FRICS MMIS, Chartered Valuation Surveyor on the basis of open market value on 3 June 2021.		
10 Trade and other receivables		
a Trade receivables	1,298	1,347
Prepayments and other receivables	166	68
TDS recoverable	1,555	1,431
Amount receivable from fellow subsidiaries	58	58
	3,077	2,903
b Ageing of net trade receivables not impaired		
Not later than three months	1,263	1,244
Later than three months and not later than six months	35	103
	1,298	1,347
c Taking into consideration the credit quality of the trade receivables, the Company considers that no provision for impairment is necessary on trade receivables of not later than six months (not due or past due).		

NOTES FOR YEAR ENDED 30 JUNE 2021

in Rs'000	2021	2020
11 Trade and other payables		
a Trade payables	828	1,088
Accruals and other payables	1,145	1,392
	1,973	2,480
b Trade payables are non-interest bearing and are generally on 30 to 90 days' term.		
12 Contract liabilities		
Deposits from customers	7,954	8,303
<i>(in respect of the tenancy agreements)</i>		
13 Income tax		
a Tax credit	-	-
Income tax on the adjusted profit for the year	2,982	-
Deferred tax credit for the year	2,982	-
b Reconciliation of tax expense and tax on accounting profit		
Profit before tax	20,431	45,471
Adjustment for:		
Difference between capital allowance and depreciation	(1,047)	(2,368)
Expenses not deductible for income tax purposes	473	747
Gain in fair value of investment properties	-	(40,900)
Tax losses from previous years	(49,083)	(52,033)
Tax losses lapsed	3,257	-
Tax losses for future use	25,969	49,083
Adjusted chargeable profit for the year	-	-
Enacted tax rate	15%	15%
Income tax on the adjusted profit for the year	-	-
Average effective tax rate	-	-
c TDS recoverable is recognised as accounts receivable (note 10)		
d Deferred tax assets		
Deferred tax (credit) for the year	2,982	-
At 30 June	2,982	-
Made up of		
Difference between capital allowance & depreciation	(913)	-
Tax losses	3,895	-
	2,982	-

NOTES FOR YEAR ENDED 30 JUNE 2021

in Rs'ooo	2021	2020
14 Loans payable		
a Bank loans – secured	22,674	30,186
Loans payable to parent company	-	5,738
	22,674	35,924
b Current loans payable		
Not later than one year		
Bank loans – secured	7,585	7,510
c Non-current loans payable		
Bank loans – secured		
Later than one year and not later than two years	3,498	7,585
Later than two years and not later than five years	6,461	8,470
Later than five years	5,129	6,621
	15,089	22,676
Loans payable to parent company	-	5,738
	15,089	28,414
d The bank loans are secured by fixed and floating charges on the assets of the Company.		
15 Retirement benefit obligations		
a Contributions to defined contribution plan		
Recognised in profit or loss	187	420
b Contributions to CSG		
Recognised in profit or loss	137	299
16 Revenue		
Rental income	30,825	29,304
Other operating income from property	12,359	11,845
	43,184	41,149
Management fees receivable	-	10,068
	43,184	51,217
17 Foreign exchange		
Gain on foreign exchange		
Gain on foreign exchange arises on the settlement of transactions in foreign currencies and on the translation of monetary assets and liabilities denominated in foreign currencies.		
18 Administrative and selling expenses		
Short term employee benefits	3,199	13,129
Other administrative and selling expenses	17,069	17,213
Depreciation of plant and equipment	1,417	1,337
	21,685	31,678

NOTES FOR YEAR ENDED 30 JUNE 2021

in Rs'000	2021	2020
19 Finance costs		
<i>Interest expenses</i>		
Bank loans	1,691	4,573
Loans payable to parent company	78	10,636
	1,770	15,209
20 Related parties		
a Parent company		
The directors of the Company regard Happy World Ltd and Happy World Enterprises Ltd both incorporated in the Republic of Mauritius as the direct and ultimate parent company respectively.		
b Transactions with related parties		
Sales of goods and services to		
• fellow subsidiaries	2,048	7,478
• parent company	5,310	9,451
Purchase of goods and services from		
• fellow subsidiaries	51	18
• parent company	2,604	1,044
Interest income / interest expenses		
• parent company	78	10,636
c Outstanding balances with related parties		
Outstanding balances with related parties are disclosed in the respective note of the appropriate assets or liabilities.		
Amount receivable from related parties arise in the normal course of business and are to be collected within the normal operating business cycle of the business.		
There are no impaired trade receivables nor allowance for credit losses from related parties.		
Amount payable to related parties arise in the normal course of business and are payable within the normal operating business cycle of the business.		
d Compensation of key management personnel of the Company		
Short term employee benefits	-	10,806

NOTES FOR YEAR ENDED 30 JUNE 2021

in Rs'ooo	2021	2020
21 Financial instruments		
21.1 Categories of financial instruments		
a Financial assets at amortised cost		
Trade and other receivables (excluding prepayments)	1,356	1,405
Cash at bank and in hand	14,900	7,533
	16,256	8,938
b Financial liabilities at amortised cost		
Trade and other payables	1,973	2,480
Loans payable	22,674	35,924
	24,647	38,404

22 Financial risk management

22.1 Financial risk factors

The Company's activities expose it to financial risks:

- a *Credit risk;*
- b *Liquidity risk.*
- c *Market risk (foreign exchange risk; interest rate risk)*

a *Credit risk*

The Company has policies in place to ensure that credit sales are made to customers after a credit assessment has been carried out. There is no significant concentration of credit risk. The Company credit risk is primarily attributable to its receivables. The amounts presented in the Statement of Financial Position are net for allowance for credit losses, estimated by management based on prior experience and the economic environment.

Refer to note 10 (trade and other receivables) for aged analysis of trade receivables

b *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities. The Company aims at maintaining flexibility in funding by keeping reliable credit lines available.

Contractual maturities of outflows in respect of financial liabilities are disclosed in the respective note of the appropriate liability.

c *Market risk (foreign exchange risk; interest rate risk)*

c.1 *Foreign exchange risk*

The Company is exposed to foreign exchange risk on certain transactions denominated in foreign currencies. The Company uses forward contracts, whenever possible, to manage its exposure to foreign currency risk.

NOTES FOR YEAR ENDED 30 JUNE 2021

	2021	2020
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22.1 Financial risk factors (cont'd)

Currency risk analysis

The financial instruments exposed to foreign currency changes are summarised as follows:

	US\$'000	US\$'000
Financial assets	251	141
Financial liabilities	117	117

	Rs'000	Rs '000
<i>Sensitivity analysis on foreign currency risk</i>		
Assuming a 1% change + (-) in the foreign currency rate on the above financial assets and liabilities, the result would have been impacted by	57	10

c.2 Interest rate risk

The Company's income and operating cash flow are exposed to interest rate risk as it sometimes borrows at variable rates. The Company uses a proper mix of fixed and variable rate borrowings, whenever possible, to manage the interest rate risk.

Sensitivity analysis on interest rate risk

Assuming a 25 basis points change + (-) in the interest rate on all variable interest bearing borrowings, the result would have been impacted by

	73	349
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22.2 Capital risk management

- a *"The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or raise shareholders loan or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio calculated as net borrowing divided by total equity of the Company."*

b Gearing ratio

Interest bearing borrowings

Loans payable	22,674	35,924
Cash at bank and in hand	(14,900)	(7,533)
Net borrowings	7,774	28,391
Equity attributable to owners of the Company	408,629	403,216
Capital employed	416,403	431,607
Gearing ratio	2%	7%

23 Impact of Covid 19 on the business of the Company

Following the outbreak of the Coronavirus (Covid-19) worldwide in 2020, the directors have noted that the rental income of the Company (its main source of revenue) has not been significantly impacted negatively since April 2020 and that the fair value of its investment property has increased as at 30 June 2020, as confirmed by its Chartered Valuation Surveyor. Nonetheless the directors, in view of the uncertainty and lack of clarity caused by Covid-19 on the general business environment, are constantly reviewing the situation with a view to implement operating cost reduction and improving its revenue stream to ensure the continued operation and sustainability of the business for the foreseeable future.

24 Event after the reporting period

There were no events after the reporting period that require disclosures.



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